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FLOOR DEBATE

March 22, 2004      LB 1093

Legislature. LB 1093 is an important bill. It's a part of the budget package, a very important part of it. It deals with funding of our K-12 schools, specifically the funding available to the schools and how that funding will be provided. It also deals with balancing the state budget and it deals with property taxes. A quick outline for you: first, I'm going to go through the provisions of the green copy of LB 1093, a bill introduced by me at the request of the Governor; second, when the time comes, I'll discuss with you the Education Committee's amendment to that bill; and finally, if you look on your machine, you'll see an amendment offered to the committee amendment by Senator Wehrbein. So those...that's going to be the sequence of our discussion, to warn you or apprise you, as the case may be. LB 1093, the green copy, before I get into that let me remind you of where we are now. First off, we are in the first fiscal year of the current biennium. Last session, in the effort to deal with the budget situation we faced, the Legislature decided to enact three programs dealing with funding of K-12 schools and also dealing with the state budget in particular, allowing that budget to become such that ends meet. Let me remind you of those three programs. First, for school districts, we dropped the basic allowable growth rate from 2.5 percent to 0 percent for both years of the current biennium, so that's in place now. It will continue in place for the next school year. This has an impact on the state budget because it reduces needs in the state aid formula and, to the extent you reduce needs, all else held constant, you reduce state aid. The second program put in place was the temporary aid adjustment. This is again a reduction in needs. This is sort of an after the fact calculation of a 2.5 percent (sic) reduction in needs. This one is a little bit different than the budget lid in terms of its impact because, in this particular case, with a supermajority of the vote of the school board, supermajority vote of the school board, school boards could assess additional property tax to make up whatever was lost via this temporary aid reduction. So the first program is reducing the budgeting authority of school districts. The second one is to impose a reduction on the needs calculation. Both of these served to lower the total amount of funding available to schools as measured by the state in the state aid formula. The third provision that we enacted has to do with how we divide up in terms of financial responsibility that net